

## Message Text

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12  
ORIGIN ARA-20

INFO OCT-01 ISO-00 AGR-20 EB-11 COME-00 AID-20 TRSE-00

OMB-01 IGA-02 CIAE-00 INR-10 NSAE-00 RSC-01 STR-08

L-03 H-03 /100 R

DRAFTED BY ARA/EP/P:MRFFRECHETTE  
APPROVED BY ARA-LA/EP:RFWEBER  
ARA-LA/EP:SCHERNENKOFF (SUB)  
USDA:GTUSSEY (PHONE)

----- 020957

R 202224Z SEP 73  
FM SECSTATE WASHDC  
TO AMEMBASSY LIMA

UNCLAS STATE 187689

JOINT STATE/AID

EO11652:NA  
TAGS:EAGR,PE  
SUBJECT: GOP CONCERN OVER AVAILABILITY OF WHEAT AND CORN  
THROUGH COMMERCIAL CHANNELS  
REF: LIMA 6444

1. MANUEL DIAZ CANO OF EPSA MET ON SEPTEMBER 20 WITH AGRI-CULTURE DEPT. OFFICIALS TO DISCUSS PERUVIAN GRAIN PURCHASES FROM THE US. DIAZ WAS ACCCOMPANIED BY PERUVIAN MINISTER-COUNSELOR ROCA AND PERUVIAN EMBASSY THIRD SECRETARY CARLOS RODRIGUEZ. MR. FRANK MCKNIGHT, ASSOCIATE GENERAL SALES MANAGER, EXPORT MARKETING SERVICE, REPRESENTED USDA, AS-SISTED BY MESSRS. GLENN TUSSEY AND CARLOS ORTEGA OF THAT OFFICE. PERU DESK REPRESENTED BY FRECHETTE AND CHERNENKOFF.

2. DIAZ BEGAN BY STATING THAT HE HAD COME TO REQUEST A GRAIN EXPORT QUOTA FOR PERU ON THE GROUNDS THAT PERU IS A UNCLASSIFIED

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TRADITIONAL BUYER FROM US. HE MENTIONED FIGURES OF

600,000 TONS OF WHEAT AND 300,000 TONS OF CORN AND SORGHUM FOR 1974. IN REPLY, MR. MCKNIGHT MADE THE FOLLOWING POINTS: (A) WE ARE NOT CONSIDERING QUOTAS. RECENT DEPT. OF AGRICULTURE ESTIMATES INDICATE THAT US GRAIN PRODUCTION WILL BE SUFFICIENT TO MEET OUR EXPORT REQUIREMENTS. HOWEVER, BECAUSE OF STRONG DEMAND, PRICES WILL BE HIGH. (B) IN THE UNLIKELY EVENT OF A NATURAL DISASTER AFFECTING OUR CROPS OR OF SOME UNEXPECTEDLY HEAVY INTERNATIONAL

DEMAND, USG MIGHT BE OBLIGED TO ADOPT SOME FORM OF AGRICULTURAL EXPORT CONTROLS. HOWEVER, IN SUCH A SITUATION, USDA INTENDS TAKE CARE OF TRADITIONAL MARKETS.

3. WITH RESPECT TO POSSIBLE CREDIT, MR. MCKNIGHT SAID THAT USG CONSIDERS CCC PROGRAM AN EXPORT PROMOTION DEVICE WHICH, AT A TIME OF HEAVY DEMAND, IS MOST DIFFICULT TO JUSTIFY. HE ADDED USDA FAVORS CONTINUATION OF CREDIT PROGRAM IN ORDER TO MAINTAIN TRADITIONAL MARKETS AND FOR LONG-RANGE MARKET DEVELOPMENT. HOWEVER, USDA POSITION HAS NOT RPT NOT SO FAR PREVAILED WITHIN THE USG. MR. DIAZ POINTED OUT THAT LACK OF ACCUSTOMED CREDIT FOR PERUVIAN AGRICULTURAL PURCHASES CREATED A SERIOUS PROBLEM FOR HIS GOVERNMENT WITH RESPECT TO FOREIGN EXCHANGE.

4. DIAZ EXPRESSED SATISFACTION WITH THE MEETING AND STATED HE WAS REASSURED BY WHAT HE HAD BEEN TOLD. DIAZ GOES TO NEW YORK SEPTEMBER 21 AND THEN RETURNS TO LIMA.  
RUSH

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** WHEAT, CORN, AGRICULTURAL PRODUCTION, EXPORT CONTROLS, AGRICULTURAL PRODUCT SALES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 SEP 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Number:** 1973STATE187689  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** MRRFRECHETTE  
**Enclosure:** n/a  
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**Film Number:** n/a  
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**Handling Restrictions:** n/a  
**Image Path:**  
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**Locator:** TEXT ON-LINE  
**Office:** ORIGIN ARA  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Reference:** LIMA 6444  
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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOP CONCERN OVER AVAILABILITY OF WHEAT AND CORN THROUGH COMMERCIAL CHANNELS  
**TAGS:** EAGR, PE, US  
**To:** LIMA  
**Type:** TE  
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